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October 29, 2018

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

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MAIL / SMS

Re: Application of Duke Energy Progress, LLC for Approval of Proposed Electric Transportation Pilot and An Accounting Order to Defer Capital and Operating Expenses; Docket #s 2018-321-E and 2018-322-E

Dear Ms. Boyd:

Proterra Inc appreciates the opportunity to provide comments in support of Duke Energy's Proposed Electric Transportation Pilot and An Accounting Order to Defer Capital and Operating Expenses ("Proposal"). For the reasons below, Proterra urges the Public Service Commission ("Commission") to approve.

As background, Proterra is a U.S. manufacturer of one of the world's most fuel-efficient battery-electric buses for public transit. Our buses are 100% designed and built in America and we source over 75% of subcomponents from other American manufacturers. Our primary manufacturing facility is located in Greenville, SC. Proterra buses undergo rigorous Federal Transit Administration testing and meet the FTA's Buy America requirements for rolling stock. Our industry leading CATALYST™ bus can achieve 22+ MPGe performance, 500%+ better than diesel and CNG buses, eliminating toxic diesel particulate matter and NOx emissions from American cities. We employ almost 500 people across the United States and we do not have any employees outside of the United States.

In only a few years Proterra has become the zero-emission technology provider of choice in the United States, having sold more than 670 vehicles to over 90 different municipalities, university, airport, federal and commercial customers in 39 states (and 2 Canadian provinces). Transit agencies across the US, including Washington, D.C., Philadelphia, New York City, Lexington, and Park City, among many others, are embracing Proterra as a proven procurement option to meet the needs of today's dynamic transportation market. The same holds true in South Carolina. We have already delivered electric buses to Seneca, SC and Clemson Area Transit. In 2019 we are scheduled to deliver buses to Greenville and Rock Hill, SC. And just a few weeks ago the FTA announced that Berkley-Charleston-Dorchester Council of Governments received a grant of \$1.5 from the Low or No Emission Grant Program to purchase electric buses from Proterra. These will likely be delivered in 2020.

In just the past few years we have witnessed a transformational shift away from the internal combustion engine to battery-electric technology. The reasons are numerous. Battery prices have dropped by nearly 80 percent over the last decade, the total cost of ownership benefits to consumers and municipalities due to reduced fuel and maintenance costs are overwhelming, vehicle range has significantly increased (with the Proterra Catalyst® driving 1,101 miles on a single charge last September on a test track), electric drivetrain performance has reached a point where it's simply better in every performance category than combustion engine technology,

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and the environmental and public health benefits of zero-emission transit have become a driver of community procurement decisions.

But the benefits of electrifying transportation to ratepayers and to the grid are just as significant. Increased power utilization can create downward price pressure for all consumers. Electrification provides opportunities to strengthen utility service through a smarter grid. Utilities such as Duke Energy can optimize the load profile on the grid through smart charging and the use of vehicles as distributed storage devices. And electrification efforts can help improve air quality and local community health, particularly in disadvantaged communities. For these and other reasons, utilities throughout the country, including the Public Service Enterprise Group and Southern California Edison, are helping to accelerate transportation electrification through their own filings.

Duke's Proposal is an important step to achieve all of these benefits. It is critical to understanding the effects of increased adoption of electric transportation on the electric grid. It will allow South Carolina to deploy EV infrastructure to meet the needs of the growing EV market. It will increase awareness of the benefits of electric transportation. And it will drive state economic development by spurring the purchase of additional electric buses manufactured within the state and creating jobs to support the installation of charging infrastructure.

Proterra supports Duke's efforts to electrify transportation in the state of South Carolina. We therefore respectfully request that the Commission approve Duke's Proposal. If you have any additional questions, please contact me at 864-214-2668 or emccarthy@proterra.com.

Sincerely,

Eric J. McCarthy
SVP, Government Relations, Public Policy and Legal Affairs